

ASSEMBLY, No. 4111

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MAY 7, 2020

Sponsored by:

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Eliminates transfer inheritance tax.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT eliminating the transfer inheritance tax and repealing parts
2 of the statutory law.

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4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

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7 1. The following sections are repealed:
8 R.S.54:33-1 through R.S.54:33-12;
9 R.S.54:34-1 through R.S.54:34-10;
10 R.S.54:34-12;
11 R.S.54:34-13;
12 R.S.54:35-1 through R.S.54:35-22;
13 R.S.54:36-1 through R.S.54:36-7;
14 R.S.54:37-1 through R.S.54:37-8;
15 section 1 of P.L.1940, c.220 (C.54:33-9.1);
16 section 2 of P.L.1985, c.57 (C.54:33-14);
17 section 1 of P.L.1955, c.135 (C.54:34-1.1);
18 section 4 of P.L.1978, c.172 (C.54:35-4.1);
19 section 1 of P.L.1947, c.369 (C.54:35-5.1);
20 section 2 of P.L.1956, c.54 (C.54:35-10.1); and
21 section 1 of P.L.1939, c.122 (C.54:35-23);
22 provided, however, for the transfer of the estate of every resident
23 decedent dying before January 1, 2020, this repeal shall not affect any
24 obligation, lien or duty to pay taxes, interest or penalties which have
25 accrued or may accrue by virtue of any taxes imposed pursuant to the
26 provisions of the laws repealed by this act, or which may be imposed
27 with respect to any redetermination, correction, recomputation or
28 deficiency assessment; and provided that all taxes and returns which
29 would have been due and payable under the provisions of the laws
30 repealed shall be due and payable as if the laws were in effect; and
31 provided that this repeal shall not affect the legal authority of the State
32 to audit records and assess and collect taxes due or which may be due,
33 together with such interest and penalties as have accrued or would
34 have accrued thereon under the provisions of the laws repealed; and
35 provided that this repeal shall not affect any determination of, or affect
36 any proceeding for, the enforcement thereof.

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38 2. This act shall take effect immediately, but section 1 shall
39 only apply to transfers of property and estates of resident decedents
40 dying after December 31, 2019.

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43 STATEMENT

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45 This bill repeals the transfer inheritance tax. This will apply to
46 transfers of property of resident decedents dying after December 31,
47 2019.

1 Currently, New Jersey imposes a transfer inheritance tax on
2 beneficiaries for the receipt of assets from a New Jersey resident
3 decedent and certain New Jersey assets of nonresident decedents, as
4 determined by the value of the assets transferred and the
5 beneficiary's relationship to the decedent.

6 The transfer inheritance tax is one of the State's oldest taxes,
7 originating in 1892. The tax is imposed on the transfer of all
8 personal and real property in the estates of New Jersey resident
9 decedents and of all tangible and real property located in New
10 Jersey in the estates of nonresident decedents. The tax was
11 extensively revised in 1985 to exempt from taxation transfers to
12 spouses, ancestors and descendants of the decedent, but "lateral"
13 transfers, bequests to brothers and sisters of the decedent or their
14 children, and to nonrelatives are taxed at rates of up to 16 percent.

15 This bill will eliminate all remaining taxable "classes" of
16 beneficiaries and eliminate New Jersey's distinction as being one of
17 only six states to impose an inheritance tax.